



Publication acc. to Art. 25 Para 2, Art. 28 Para 3 REG (EU) 2017/459 (NC CAM) regarding the procedure, initiated in 2019, for incremental capacity between the Russian Federation and the market area Trading Hub Europe (THE)

5 May 2021

I. Introduction

Following the conclusion of phase 1 of the procedure initiated in 2019 in accordance with Regulation (EU) 2017/459 (network code on capacity allocation mechanisms in gas transmission systems; hereinafter “NC CAM”) for incremental capacity at the market area border between the Russian Federation and the market area THE, the design phase for the technical projects (phase 2) were executed and conclusions were consulted in autumn 2020. The Technical Study described how the transmission system can be expanded efficiently in consideration of the transmission system topology and economic aspects. The project application, submitted and published on 1 November 2020, is a joint document of the involved German TSOs FLUXYS Deutschland GmbH, hereinafter FLUXYS, GASCADE Gastransport GmbH, hereinafter GASCADE, Gasunie Deutschland Transport Services GmbH, hereinafter GUD, NEL Gastransport GmbH, hereinafter NGT and ONTRAS Gastransport GmbH, hereinafter ONTRAS. The project proposal was approved by Bundesnetzagentur (hereinafter: BNetzA) with decision **BK9-20/007**.¹

Publication acc. to Art. 28 Para. 3 NC CAM

II. Approval contents according to Art. 25 Para. 1 NC CAM

a. Offer Level acc. to Art. 28 para. 1 lit. a NC CAM

The involved TSO will offer one offer level for freely allocable incremental capacity (FZK) at the interconnection points Lubmin II and Greifswald. Unbundled capacity will be marketed since the project planning was solely based on the entry point into the future German market area THE. The auction will take place on the **PRISMA Capacity Booking Platform** and **Regional Booking Platform (RBP)**. Registration is required to participate in the auction.

The mandatory reservation of 20% for incremental capacities pursuant to Art. 8 (8) NC CAM and the ruling by the Federal Network Agency (BNetzA) BK7-15-001 (KARLA Gas) will be taken

¹ [Bundesnetzagentur - Incremental Capacity \(NC CAM\) - Beschlusskammer 9](#)



into account. The offer level will be offered from GY 2027/2028 until GY 2041/2042. The offer level including the capacity products are shown in Annex 2.



Scenarios

Since several projects for incremental capacity are considered in the incremental capacity cycle initiated in 2019, there are significant overlaps of the measures necessary to offer the incremental capacity at the different market area borders.

Therefore, an individual examination of the requests for incremental capacity including the individual necessary measures is not expedient. The necessary measures in particular depend on which requested market area border the economic test for incremental capacity is successful. That is why different scenarios are considered. Each scenario is based on a single market area border, as well as a combination of non-binding requested capacity at the other market area borders. In total there are 31 different possible combinations, which are shown in the following scenario matrix:

Scenario Matrix					
Scenario	Denmark	Russia	Greifswald Upgrade	Lubmin II Upgrade	Poland Mallnow
1	1				
2		1			
3			1		
4				1	
5					1
6	1	1			
7	1		1		
8	1			1	
9	1				1
10		1	1		
11		1		1	
12		1			1
13			1	1	
14			1		1
15				1	1
16	1	1	1		
17	1		1	1	
18	1			1	1
19	1	1		1	
20	1	1			1
21	1		1		1
22		1	1	1	
23		1		1	1
24		1	1		1
25			1	1	1
26	1	1	1	1	
27	1		1	1	1
28	1	1		1	1
29	1	1	1		1
30		1	1	1	1
31	1	1	1	1	1
	1: Wirtschaftlichkeitstest wurde bestanden leere Zelle: Wirtschaftlichkeitstest wurde nicht bestanden				

There are 16 possible scenarios for this project. Each of these scenarios has specific parameters, which can be found below.

Relevant scenarios for incremental capacity at the border to Russia					
Szenario	Denmark	Russia	Greifswald Upgrade	Lubmin II Upgrade	Poland Mallnow
2		1			
6	1	1			
10		1	1		
11		1		1	
12		1			1
16	1	1	1		
19	1	1		1	
20	1	1			1
22		1	1	1	
23		1		1	1
24		1	1		1
26	1	1	1	1	
28	1	1		1	1
29	1	1	1		1
30		1	1	1	1
31	1	1	1	1	1

b. Supplementary Terms and Conditions for the auction for incremental capacity acc. to Art. 28 para. 1 lit. b NC CAM

The Supplementary Terms and Conditions for the auction for incremental capacity are attached to this document².

² In the course of participation in the annual auction on 5 July 2021, the general terms and conditions of GASCADE must also be accepted. You can find them here:

GASCADE Gastransport GmbH:

<https://www.gascade.de/en/download>

NGT:

<https://www.nel-gastransport.de/en/download>

Fluxys Deutschland GmbH:

https://www.fluxys.com/en/products-services/empowering-you/terms-conditions/tandc_fluxys-deutschland

Gasunie Deutschland Transport Services GmbH:

<https://www.gasunie.de/en/downloads>

ONTRAS Gastransport GmbH: ONTRAS Gastransport GmbH:

<https://www.ontras.com/en/company/downloads>



c. Timeline for the incremental capacity project and measures to prevent delays and to minimise the impact of delays acc. to Art. 28 para. 1 lit. c NC CAM

The following table shows the further steps for the project for incremental capacity and also outlines a rough timeline for the technical project. This timeline already includes time buffers for the avoidance of delays in provision of the capacities.

Milestones	Years of completion of project phases of the measures
Project concept	2021
Basic evaluation/feasibility review	2021-2022
Design planning	2022-2023
Preparation of general planning procedure	2022
Implementation of general planning procedure	2023-2024
Preparation of Federal Emission Control Act (BImSchG)	2023
Property acquisition	2025
Preparation of plan approval procedure	2023
Implementation of plan approval procedure	2024-2025
Acquisition of right of way	2025-2026
Implementation of Federal Emission Control Act (BImSchG)	2024-2025
Construction approval process	2025
Material and service procurement	2023-2026
Preparation and start of construction	2025-2026
Assembly/construction	2025-2027
Commissioning	2027
Project conclusion/completion	2028

The aforementioned dates are provisional and subject to change.

d. Parameters defined in Art. 22 Para. 1 lit. d NC CAM

i. Parameter defined in Art. 22 Para. 1 lit. a NC CAM

Estimated Reference price

The estimated reference price for incremental capacity as of GY 2027/2028 is 3.73 €//(kWh/h)/a.

Auction premium:

The algorithm for ascending clock auctions pursuant to Art. 17 NC CAM applies to the auction of the incremental capacities pursuant to Art. 29 (1) NC CAM. This may result in an auction premium which will only be determined at the end of the 2021 annual auction. For this reason,



it was not taken into account in the calculation of the f-factor, but it must be included in the economic test.

Mandatory minimum premium:

Acc. to decision BK9-20/007 and with the help of the BNetzA Tool³ the following range of the mandatory minimum premium was approved and comes into effect:

booking scenario (positive economic test)	Mandatory minimum premium
2	10,79 €/(kWh/h)/a
6	8,32 €/(kWh/h)/a
10	6,31 €/(kWh/h)/a
11	7,96 €/(kWh/h)/a
12	9,34 €/(kWh/h)/a
16	5,74 €/(kWh/h)/a
19	7,32 €/(kWh/h)/a
20	8,57 €/(kWh/h)/a
22	5,02 €/(kWh/h)/a
23	7,83 €/(kWh/h)/a
24	7,33 €/(kWh/h)/a
26	4,48 €/(kWh/h)/a
28	7,55 €/(kWh/h)/a
29	7,18 €/(kWh/h)/a
30	6,98 €/(kWh/h)/a
31	6,86 €/(kWh/h)/a

³ For the sake of transparency and for the purposes of economic test according to Article 22 NC CAM, the BNetzA created and published a calculation tool, hereinafter „BNetzA-Tool“. The BNetzA tool can be found at the following website:
https://www.bundesnetzagentur.de/EN/Areas/Energy/Companies/GridDevelopment/Gas/IncrementalCapacities/IncrementalCap_node.html



Present value of binding commitments of network users:

Acc. to decision BK9-20/007 and with the help of the BNetzA Tool the following present value of binding commitments of network users were calculated and approved:

booking scenario (positive economic test)	present value of binding commitments of network users
2	1.179.915.818 €
6	954.975.861 €
10	772.324.463 €
11	922.813.146 €
12	1.048.009.294 €
16	719.963.527 €
19	864.360.329 €
20	977.830.681 €
22	654.225.612 €
23	910.614.160 €
24	864.781.993 €
26	605.071.361 €
28	885.081.955 €
29	851.720.000 €
30	832.885.613 €
31	821.783.443 €



ii. Parameter defined in Art. 22 Para. 1 lit b NC CAM

Acc. to decision BK9-20/007 and with the help of the BNetzA Tool the following estimated allowed revenue increases were calculated and approved:

booking scenario (positive economic test)		present value of estimated allowed revenue increases
	2	1.216.408.059 €
	6	994.766.521 €
	10	812.973.118 €
	11	961.263.693 €
	12	1.080.421.952 €
	16	757.856.344 €
	19	900.375.342 €
	20	1.018.573.626 €
	22	688.658.538 €
	23	948.556.416 €
	24	900.814.576 €
	26	643.692.937 €
	28	921.960.369 €
	29	887.208.333 €
	30	867.589.180 €
	31	856.024.419 €



iii. f-Faktor acc. Art. 22 Abs. Para. 1 lit. c NC CAM

Acc. to decision BK9-20/007 and with the help of the BNetzA Tool the following f-factors were calculated and approved:

booking scenario (positive economic test)	f-factor
2	0,97
6	0,96
10	0,95
11	0,96
12	0,97
16	0,95
19	0,96
20	0,96
22	0,95
23	0,96
24	0,96
26	0,94
28	0,96
29	0,96
30	0,96
31	0,96



iv. Overview of all parameters

overview of all parameters per scenario for the border to the Russian Federation								
Szenario	Denmark	Greifswald Upgrade	Lubmin II Upgrade	Poland Mallnow	present value of esitimated allowed revenue increases	present value of binding commitments of network users	Mandatory minimum premium	f-factor
2					1.216.408.059 €	1.179.915.818 €	10,79 €/(kWh/h)/a	0,97
6	1				994.766.521 €	954.975.861 €	8,32 €/(kWh/h)/a	0,96
10		1			812.973.118 €	772.324.463 €	6,31 €/(kWh/h)/a	0,95
11			1		961.263.693 €	922.813.146 €	7,96 €/(kWh/h)/a	0,96
12				1	1.080.421.952 €	1.048.009.294 €	9,34 €/(kWh/h)/a	0,97
16	1	1			757.856.344 €	719.963.527 €	5,74 €/(kWh/h)/a	0,95
19	1		1		900.375.342 €	864.360.329 €	7,32 €/(kWh/h)/a	0,96
20	1			1	1.018.573.626 €	977.830.681 €	8,57 €/(kWh/h)/a	0,96
22		1	1		688.658.538 €	654.225.612 €	5,02 €/(kWh/h)/a	0,95
23			1	1	948.556.416 €	910.614.160 €	7,83 €/(kWh/h)/a	0,96
24		1		1	900.814.576 €	864.781.993 €	7,33 €/(kWh/h)/a	0,96
26	1	1	1		643.692.937 €	605.071.361 €	4,48 €/(kWh/h)/a	0,94
28	1		1	1	921.960.369 €	885.081.955 €	7,55 €/(kWh/h)/a	0,96
29	1	1		1	887.208.333 €	851.720.000 €	7,18 €/(kWh/h)/a	0,96
30		1	1	1	867.589.180 €	832.885.613 €	6,98 €/(kWh/h)/a	0,96
31	1	1	1	1	856.024.419 €	821.783.443 €	6,86 €/(kWh/h)/a	0,96
	1: economic test passed empty cell: economic test failed							



e. Exceptionally extended marketing horizon acc. to Art. 28 Para. 1 lit. e NC CAM

An extended marketing horizon is not used.

f. Alternative allocation mechanism acc. to Art. 28 Para. 1 lit. f NC CAM

An alternative allocation mechanism is not used.

g. Fixed price approach acc. to Art. 28 Para. 1 lit. g NC CAM

A fixed price approach is not used.

III. Contact Data

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IV. Annex

1. Supplementary Terms and Conditions for incremental capacity
2. Offer Level RU-THE